

# 2019 Integrated Resource Plan (IRP) Working Group

## Meeting #1



*This narrative is intended to complement and summarize the slides from the first IRP Working Group meeting, held on February 28, 2018.*

After introductions and discussion about protocols and logistics, TVA presented an overview of the agency, its mission and its work in the Tennessee Valley. Following the introduction, the meeting covered topics related to the IRP.

### ***Optimal Resource Plan***

TVA is embarking on the 2019 IRP because consumer behaviors and preferences are changing and it must proactively plan for the future. The agency is beginning this work sooner than originally planned to inform the company's next long-term financial plan and to proactively address the changing utility marketplace. TVA is using six criteria for an optimal resource plan: low cost, risk informed, environmentally responsible, reliable, diverse and flexible. The optimal plan will best meet all criteria.

### ***IRP Planning Process***

Resource planning is a common tool used in the utility industry to identify the least-cost solution to meet customer demand over a long horizon, usually 20 years. The planning process includes:

- Projecting customer demand for electricity in the future,
- Defining the resources currently available to meet customer demand and how that will change in the future,
- Comparing future customer demand with existing resources,
- Identifying all resources (supply-side and demand-side) that will be considered to meet future need,
- Testing different resource combinations (portfolios) to evaluate performance, and
- Selecting the preferred combination of resources.

The IRP process examines a variety of economic, regulatory and market-driven scenarios (outside TVA's control) and strategies (within TVA's control) to help TVA respond to changing energy demands while continuing to provide reliable power at the lowest possible cost.

### ***Environmental Impact Statement***

TVA will prepare an Environmental Impact Statement, which is required by the National Environmental Policy Act (NEPA), to assess the natural, cultural and socioeconomic impacts associated with the implementation of the updated IRP at a very high level across the entire Tennessee Valley. The EIS will examine key environmental factors such as air quality, water resources, fuel requirements, waste production, land requirements, and socioeconomics and environmental justice.

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## ***2015 IRP***

TVA offered an overview of the 2015 IRP. The metrics used to evaluate portfolio performance were cost, financial risk, stewardship, Valley economics (the macro-economic effects of the resource plans) and flexibility. The 2015 IRP recommended an increase in energy efficiency and demand response, natural gas, renewables and nuclear uprates as well as a reduction in coal use and no new base load after Watt Bar Unit 2 and nuclear updates.

## ***2019 IRP***

The 2019 IRP focus areas are distributed energy resources (DERs), system flexibility and portfolio diversity. The IRP will use least-cost planning criteria; incorporate resource capital and operating and fuel costs; include Valley economics as key criteria to evaluate strategies; evaluate the socioeconomic impacts of alternative strategies; and attempt to understand the speed of DER penetration in the Valley.

## ***Public Involvement***

Collaboration with customers and stakeholders is a vital part of the IRP process. Stakeholders have opportunities to be involved, and TVA will host meetings in which members of the public are invited to comment. TVA will conduct extensive public outreach that includes a series of open meetings around the Valley. The IRP Working Group and the Regional Energy Resource Council also will provide input to the process.

## ***IRP and EIS Timeline***

Developing the IRP is a long process that is intended to ensure transparency and enable stakeholder involvement. A 60-day public scoping period was held in Winter/Spring 2018. Initial modeling begins in Summer 2018. When the draft IRP and EIS are ready in February 2019, TVA will post them online and request comments. TVA anticipates hosting public open house meetings and webinars during the comment period. The final versions of the IRP and EIS will be published in Summer 2019.